



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5

77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

REPLY TO THE ATTENTION OF:

AUG 01 2012

Matthew Stuckey
Chief
Permits Branch
Office of Air Quality
Indiana Department of Environmental Management
100 North Senate Avenue
Indianapolis, Indiana 46204

Dear Mr. Stuckey:

The U.S. Environmental Protection Agency has reviewed the draft Title V renewal permit for NIPSCO – Bailly Generating Station, permit number T127-29738-00002, in Chesterton, Indiana. To ensure that the source meets Federal Clean Air Act requirements, that the permit will provide necessary information so that the basis of the permit decision is transparent and readily accessible to the public, and that the permit record provides adequate support for the decision, EPA has the following comments:

- 1.) Condition D.1.9(b) of the draft permit specifies fuel sampling procedures to be conducted in accordance with, among other rules, 326 IAC 3-7-2(b) when the primary and backup continuous emission monitoring systems are unavailable for 24 hours or more and the flue gas desulfurization system is not in use. 326 IAC 3-7-2(b) applies to sources with a coal firing capacity between 100 and 1,500 million British thermal units per hour (MMBTU/hr) actual heat input. However, according to the technical support document for the draft permit, unit 7 has a design heat input capacity of 1,638 MMBTU/hr and unit 8 has a design heat input capacity of 3,374 MMBTU/hr. Since both units have a design heat input capacity greater than 1,500 MMBTU/hr, 326 IAC 3-7-2(a) may apply instead. Please clarify whether the boilers have an actual heat input capacity greater than 1,500 MMBTU/hr. If so, please clarify whether another procedure for fuel sampling, such as the one listed at 326 IAC 3-7-2(a), applies when the actual heat input of the boilers is greater than 1,500 MMBTU/hr.
- 2.) Condition F.1 of the draft permit incorporates by reference terms and conditions from a consent decree as listed explicitly in attachment A of the permit. However, some paragraphs from the consent decree are not listed in attachment A that may be applicable to the facility. For example, periodic reporting requirements from paragraphs 126 through 131 of the consent decree are not listed in attachment A and may be applicable to the facility. Please ensure that all applicable requirements from the consent decree are included in the permit.

We appreciate the opportunity to provide comments on this draft renewal permit. If you have any questions, please feel free to contact me or have your staff contact Michael Langman, of my staff, at (312) 886-6867.

Sincerely,

Danny Marcus For

Genevieve Damico
Chief
Air Permits Section